

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/01)
BUTTER: Grade AA closed at \$1.5525. The weekly average for Grade AA is \$1.5542 (+.0042).

CHEESE: Barrels closed at \$1.5950 and blocks at \$1.6250. The weekly average for barrels is \$1.5865 (+.0796) and blocks, \$1.6175 (+.0762).

BUTTER: The butter market is firm even though the cash price is up one week, down the next, and now back up. Producers and handlers have mixed opinions as to why this is occurring, but most indicate that this volatility is causing unsettledness with production schedules, marketing strategies, and inventory valuation. Production is seasonally heavy because of the heavy volumes of cream that are still clearing to the churn. Retail butter sales are slower now that Easter features are behind us. Food service orders are also slower as restaurateurs clear inventories added prior to Easter.

CHEESE: The cash cheese market remains firm. Good demand continues for current cheddar blocks for cutting and aging programs. Process cheese movement has not yet improved to usually larger summer weather levels. Mozzarella interest is uneven, often below market clearing levels. Overall cheese production is steady to higher seasonally. Steady to lower cheese yields are more than offset by seasonal increases in milk receipts. In addition to the announcement reported last week, CCC announced Invitation 080 to Announcement BCD2 seeking offers to sell to CCC between 13.6 and 32.4 million pounds of Natural American cheese and Invitation 150 to Announcement PCD4 seeking between 24.1 and 61.3 million pounds of process cheese for delivery July 2005 – June 2006. The total volume under the 3 invitations is between 70.2 and 159.0 million pounds, up slightly from the initial volume requested last year.

FLUID MILK: Milk production patterns continue to develop seasonally across the country. In some areas, cool wet conditions are curtailing typical growth for this time of the year. In the Southeast and Gulf Coastal states, milk output is reported to be at or very near peak levels. Elsewhere in the country, milk output is increasing at varying rates. Class I demand continues to vary from coast to coast as school systems observe spring break at various times. Milk volumes at this time are quite manageable and most milk handlers reported no problems over the recent holiday weekend. Manufacturing facilities, especially in the Southeast, are at or very near peak capacity as surplus milk volumes increase. The fluid cream market is mixed. Supplies, though long, are in better balance than they have been. Handlers report fewer loads moving to churns, but excess cream volumes are heavier than most expected at this time of year. Most butter operations are happy to be able to make some additional bulk butter for future needs.

DRY PRODUCTS: Nonfat dry milk markets are firm with prices generally unchanged to higher. Production is steady to seasonally higher at most plants as surplus milk volumes start to increase. Stocks of powder are in close balance with producers often trying to secure additional supplies

for future contracts. Spot needs are being filled in the resale market. Export shipments continue at a good pace even with U.S. powder becoming slightly more expensive related to the Euro. Buttermilk powder markets are steady to firm with prices unchanged to higher. Production is generally higher in response to steady churn activity and reduced seasonal interest in condensed buttermilk from ice cream producers. The strength and tightness noted in the NDM market is helping to support the buttermilk market. Whey powder markets are firm with prices generally higher from coast to coast. Most producers have contracts sufficient to clear most of their output, but some loads are available, although both domestic and export buyers continue to look for additional powder. Some producers are holding any extra output with confidence as they expect that they will need the dry whey later in the summer when output eases.

CCC: During the week of March 28 – April 1, there was no price support activity.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the March 2005 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$13.25 (-\$0.11), Class III \$14.08, (-\$0.62), and Class IV \$12.66 (-\$0.08). Product price averages used in computing Class prices are: butter \$1.5549, NDM \$0.9083, cheese \$1.5061, and dry whey \$0.2513. The Class II butterfat price is \$1.7349. Further information may be found at: <http://www.ams.usda.gov/dyfmoms/mib/classprcacnmt.pdf>

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the three months of November 2004 – January 2005 totals 44.7 billion pounds, 3.5% above the same period in 2003/2004. Comparing disappearance levels with year earlier levels: butter is +5.1%; American cheese, +9.6%; other cheese, +4.6%; NDM, +52.2%; and fluid milk products, +0.3%.

FEBRUARY CONSUMER PRICE INDEX (BLS): The CPI for all food is 188.8, up 2.6% from February 2004. The dairy products index is 181.8, up 5.6% from a year ago. The following are the February to February changes for selected products: fresh whole milk is +9.0%; cheese, +6.1%; and butter, +25.2%.

MARCH AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2005 was unchanged at 135. Compared with March 2004, the index was up 3 points (2.3%). The index of prices received by farmers for dairy products was unchanged during the month of February 2005 at 119. Compared with March 2004, the index was up 1 point (0.8%). Prices received by farmers in March with changes from February were: for All Milk, \$15.60 per hundredweight, up \$.10; Fluid Grade Milk, \$15.60, up \$.10; and for Manufacturing Grade Milk, \$14.60, down \$.30.

******SPECIAL THIS ISSUE******

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

PRODUCT	MONDAY MARCH 28	TUESDAY MARCH 29	WEDNESDAY MARCH 30	THURSDAY MARCH 31	FRIDAY APRIL 1	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.5725 (+.0075)	\$1.5750 (+.0025)	\$1.5950 (+.0200)	\$1.5950 (N.C.)	\$1.5950 (N.C.)	(+.0300)	\$1.5865 (+.0796)
40# BLOCKS	\$1.6025 (N.C.)	\$1.6100 (+.0075)	\$1.6250 (+.0150)	\$1.6250 (N.C.)	\$1.6250 (N.C.)	(+.0225)	\$1.6175 (+.0762)
BUTTER GRADE AA	\$1.5500 (+.0025)	-----	\$1.5600 (+.0100)	-----	\$1.5525 (-.0075)	(+.0050)	\$1.5542 (+.0042)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, MARCH 28, 2005

CHEESE -- SALES: NONE; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.5725, 2 @ \$1.5675; 7 CARS 40# BLOCKS: 2 @ \$1.6025, 5 @ \$1.6000; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 16 CARS GRADE AA: 15 @ \$1.5475, 1 @ \$1.5500; BIDS UNFILLED: 12 CARS GRADE AA: 2 @ \$1.5475, 2 @ \$1.5400, 2 @ \$1.5300, 4 @ \$1.5200, 1 @ \$1.5100, 1 @ \$1.5000; OFFERS UNCOVERED: NONE

TUESDAY, MARCH 29, 2005

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5725, 1 @ \$1.5750; 4 CARS 40# BLOCKS @ \$1.6100; BIDS UNFILLED: 9 CARS 40# BLOCKS: 2 @ \$1.6100, 3 @ \$1.6075, 2 @ \$1.6050, 2 @ \$1.6025; OFFERS UNCOVERED: NONE

WEDNESDAY, MARCH 30, 2005

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.5800, 1 @ \$1.5900, 1 @ \$1.5925; 7 CARS 40# BLOCKS: 4 @ \$1.6175, 3 @ \$1.6250; BIDS UNFILLED: 2 CARS BARRELS @ \$1.5950; 15 CARS 40# BLOCKS: 2 @ \$1.6250, 2 @ \$1.6225, 2 @ \$1.6200, 2 @ \$1.6175, 3 @ \$1.6150, 2 @ \$1.6125, 2 @ \$1.6100; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 2 CARS GRADE AA @ \$1.5600; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$1.5575, 1 @ \$1.5550, 1 @ \$1.5525, 1 @ \$1.5475, 2 @ \$1.5400; OFFERS UNCOVERED: NONE

THURSDAY, MARCH 31, 2005

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.6250; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.6250; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 1, 2005

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.6250; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 16 CARS GRADE AA: 4 @ \$1.5700, 1 @ \$1.5725, 1 @ \$1.5700, 3 @ \$1.5675, 1 @ \$1.5600, 1 @ \$1.5625, 2 @ \$1.5575, 1 @ \$1.5550, 2 @ \$1.5525; BIDS UNFILLED: 5 CARS GRADE AA: 2 @ \$1.5525, 2 @ \$1.5500, 1 @ \$1.5400; OFFERS UNCOVERED: NONE

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9610 (+.0091) and Grade A is \$0.9810 (+.0091).

BUTTER MARKETS**NORTHEAST**

The butter market remains unsettled. On 3/28, the cash price at the CME increased fractionally after three consecutive "down" sessions. Those three sessions followed four "up" sessions. Volatility abounds in the market. Improvement in the Class II cream market is later than normal, continued heavy volumes of excess cream, recent inventory reports, and an overall lackluster demand for butter is adding to the up and down price trends. Eastern cream suppliers continue to report excessive cream volumes and heavy offerings to butter makers. Retail butter sales are slower now that Easter features are behind us. Food service orders are also slower as restaurateurs clear inventories added prior to Easter. Stocks of butter are growing and more than ample to cover current needs. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

Butter markets are unsettled as the cash price is up one week, down the next, and now back up. Producers and handlers have mixed opinions as to why this is occurring, but most indicate that this volatility is causing unsettledness with production schedules, marketing strategies, and inventory valuation. Cream offerings remain available to butter producers, but volumes are lighter, especially from outside sources. Churning is heavier than many producers anticipated for this time of the season. In most instances, churning schedules are surpassing demand, thus inventories continue to increase. Butter demand

this week is lower as many buyers assess their inventories following the Easter holiday before re-ordering. Some suppliers and traders state that Passover orders, or at least shipments, will remain active for the next few weeks. With both of the springtime holidays completed or nearly completed, producers and handlers feel that they will be able to build inventories at a better pace, especially if cream supplies remain as plentiful as they have been in recent weeks. Bulk butter for spot sale is being reported in the 2 - 4 cents per pound over various pricing basis.

WEST

Cash butter prices at the CME have increased for the last two trading sessions, to stand at \$1.56, after declining for the three previous sessions. Contacts don't seem to be sure which direction the market should be going at this point in time. Production is seasonally heavy because of the heavy volumes of cream that are still clearing to the churns. Easter is now past and demand normally backs off for a while. Retail accounts will assess their inventory situations before reordering. Food service accounts report that they did well over the holiday period. Long run stocks of butter may be on the tight side, but offerings of butter are sufficient for any current trade needs. CME weekly butter inventories fell for the second consecutive week leading up to Easter to stand at 63.3 million pounds. Last year butter stocks declined for seven consecutive weeks before Easter to stand at 87.4 million pounds at the time of Easter. Stocks in the spring of 2003 were more than 2 1/2 times the current level. Bulk butter prices range from flat to 3 1/2 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

	CHEESE				
	40# BLOCKS	BARRELS	NDM	BUTTER	DRY WHEY
WEEK ENDING		38% MOISTURE			
MARCH 26	1.4870	1.4576	0.9094	1.5592	0.2571
	8,471,275	11,007,680	19,332,398	3,355,209	12,841,544

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices continue to bounce higher and lower in two-three week cycles. The market tone is unsettled in that buyers are trying to "catch" the market at the correct time and producers find that the milk/cheese price relationships keep going in and out of sync. Contacts more often feel that supply and demand are having less to do with the cheese price than futures positions or people trying to alter milk pricing. The latter takes a great deal of timing and some luck, but some contacts feel that it is and has happened. Cheese production in the Northeast is mostly steady. However, mozzarella output is off slightly now that Easter is past. With Passover still several weeks away, demand for some traditional cheeses is holding at good levels. Most cheddar is being put into aging programs. Retail and food service orders are also slower and typical for post-Easter week.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6075-2.1225
Cheddar Single Daisies	:	1.5650-2.0400
Cheddar 40# Block	:	1.6825-1.9375
Process 5# Loaf	:	1.7175-1.9225
Process 5# Sliced	:	1.7375-1.9500
Muenster	:	1.7800-1.9825
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is steady to firm. Current cheddar blocks and other natural American style demand is good. Current cheddar block supplies remain tight to short. Barrel interest is steady. Most processors have yet to see the usual spring pickup in orders as the weather for outdoor grilling and from vacation locations have often been not very conducive. Strong interest continues in good processing solids. Mozzarella interest is slow to fair at best. Cheese yields continue to slip seasonally though generally more than offset by the slow increases in milk receipts. The CCC announced invitations, seeking cheese for school lunch and other feeding programs. The combined volume, between mozzarella, process, and natural American, totals between 70.2 million pounds and 159.0 million pounds, up from the initial volumes requested last year.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.7075-1.9900
Brick And/Or Muenster 5#	:	2.0000-2.0925
Cheddar 40# Block	:	1.8700-2.2650
Monterey Jack 10#	:	2.0700-2.2650
Blue 5#	:	2.3875-2.6900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8325-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.9000

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
03/28/05	39,089	:	129,939
03/01/05	34,291	:	124,686
CHANGE	4,798	:	5,253
% CHANGE	14	:	4

WEST

Block cash cheese prices at the CME bottomed on the present cycle on March 4, at \$1.45. Since then, prices have either held steady or increased for 17 trading sessions to stand at \$1.6250 on March 30. Demand for current block cheese is strong. Buyers are often not able to acquire all the cheese they desire in a timely fashion. Some of the demand is based on need for current cheese to sell and some is for aging programs or future needs. Which is the dominant driver at this point is hard to tell. Producers are having a hard time filling demand and are sometimes buying outside milk to bolster their production schedules. Aging programs seem to be minimal at this point in the production cycle. Mozzarella interest is good and little under grade is available. Swiss sales are steady to good in the region. Milk is generally coming up slowly across most of the region. The main problem is that weather conditions were not favorable across the West at varying times this spring. When it does rain or snow it is significant enough to impact milk production.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6600-1.9175
Cheddar 40# Block	:	1.6625-2.0150
Cheddar 10# Cuts	:	1.8425-2.0625
Monterey Jack 10#	:	1.8525-2.0125
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are steady to higher and the market tone is slowing along seasonal patterns. Typically, demand for imported or domestically made foreign type cheese eases after Lent and Easter. Stocks of most cheese are adequate to meet needs. Imports continue to be affected by the weak U.S. Dollar compared to the Euro despite the recent, slight recovery. Cheese output in Europe is reported to be increasing as milk is moved from away butter/powder production and into cheese because of financial returns.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-4.6900 : 1.9225-3.4225*
Gorgonzola	:	3.6900-5.9400 : 2.4325-2.5000*
Parmesan (Italy)	:	TFEWR : 3.3375-3.4425*
Romano (Italy)	:	2.1000-3.1500 : -0-
Provolone (Italy)	:	3.4400-6.0900 : 1.9250-2.1575*
Romano (Cows Milk)	:	-0- : 3.1175-5.2825*
Sardo Romano (Argentina)	:	2.8500-3.2900 : -0-
Reggianito (Argentina)	:	2.6900-3.2900 : -0-
Swiss Cuts Switzerland	:	-0- : 2.4500-2.6500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	TFEWR : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-3.5600 : -0-
Gouda, Large	:	TFEWR : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	171	0	196	0	168
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is nearing its annual peak in Florida and other Gulf Coast states, while increasing at varying rates in the Middle Atlantic and Northeastern states. Recent heavy rains in the Southeast have had an adverse impact on the milk flow in parts of Florida and Georgia. Fluid milk supplies are more than ample in the southern half of the region and ample elsewhere. Florida's shipments out of state are down slightly this week as most of their schools are back in session. This combined with the recent rains and hotter weather, has most contacts feeling that the peak has been reached. Offsetting the improved Class I demand seen by the reopening of schools is the fact that the "Snowbirds" are heading back north. Bottled milk sales in other states are improving due to schools reopening after spring break. Surplus milk volumes are heavy in the Southeast, moderate in the Northeast. Most Southeastern balancing plants are operating at or near capacity. Plants in the northern parts of the region are seeing steady to slightly heavier receipts. The condensed skim market is little changed and prices are steady. Demand is fair to good, often improved. The fluid cream market is mixed. Supplies, though long, are in better balance than they have been. Handlers report fewer loads moving to churns, but excess cream volumes are heavier than most contacts expected at this time of year. Spot prices are mostly lower. The CME cash butter average for last week did lose 3.25 cents. That decline was usually magnified by lower multiples this week. Overall, demand is slower which is typical for a post-Easter week. Suppliers report continued good movement into sour cream and cottage cheese operations, slower usage at cream cheese and bottling plants, and slowly improving demand from ice cream producers. The weather has not yet improved sufficiently to trigger soft serve mix and ice cream sales in the East. Sales of hard ice cream have been fairly steady. For cream and all other products, increasing fuel costs are becoming a larger issue and fuel surcharges by trucking companies are increasing as fuel costs increase. Churning activity is moderate to heavy, but compared to recent weeks, most producers are getting fewer loads offered to them. Some loads did move to the Midwest over the weekend, but shipments slowed as the week progressed.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.8755-2.0460
DELIVERED EQUIVALENT ATLANTA	-	1.8910-2.0925 M 1.9375-2.0615
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9065-1.9375

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9800-1.0100
NORTHEAST- CLASS III - SPOT PRICES	- 1.1200-1.1600

M I D W E S T

Class I demand was light for most bottlers though about steady for a few. The usual pattern of some spring school breaks last week and others this week continues to Class I demand in different markets. The \$1.30 decline in the April Federal Order Class I base price from the March price also provides retailers the incentive to wait until April. Surplus milk volumes over the holiday weekend were light and did not seem to cause any major disruptions. Manufacturing milk demand is still sluggish though spotty. Reported manufacturing milk prices range from a discount of -\$0.75 on a few loads early this week to about \$1.25 net over class, with most post holiday activity at the top end of the range. Overall supplies are about in balance with demand. Cream demand is improved after the holidays and with some warmer weather, ice cream production has picked up. Milk receipts continue to increase seasonally with fat and protein tests slipping. Many producers are getting down to feeding the bottom of the silos and hay mows and first cutting quality was not good

through much of the upper part of the region due to excessive rain in May and June. Temperatures varied from continued below average for most of the month to well above average including 70s in Wisconsin this week. Fields are soft and muddy with most snow melted. Planting season is progressing further south in the region.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 57.00- 63.00	\$ 46.00- 52.00
REPLACEMENT HEIFER CALVES	\$300.00-700.00	\$300.00-600.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MARCH 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 61.00- 69.50	\$ 47.00- 52.25

W E S T

February 2005 POOL RECEIPTS of milk in CALIFORNIA total 2.70 billion pounds, 1.95% lower than last year when adjusted for the leap day last year. The comparison is based on a daily average basis. (The change is also affected by milk volumes not being included in the pool receipts for February 2004.) The February blend price, at a fat test of 3.73%, is \$14.12, 74 cents less than January but \$1.56 more than February 2004. The percentage of receipts used in Class 1 products is 15.69%. The February quota price is \$14.96 and the over quota price is \$13.26. These prices are \$.54 lower than January but \$1.64 more than a year earlier. On February 1 & 2, 2005, the Department of Food and Agriculture in California held a public hearing to consider amendments to the Stabilization and Marketing Plans for Market Milk. The amendments under consideration regarded changes to the Class 4a and 4b pricing formulas that would also have a pass-through effect on the Class 2 and 3 pricing formulas. The adjustments to the Plans will take effect for milk delivered to processing plants on or after April 1, 2005. The industry is examining the results to gauge the impact on the various participants. The results may influence which portion of the industry will grow over the next few years. Weather patterns have become wet and cool again over much of CALIFORNIA. The impact on milk production is not all that much, but contacts do state that it is reducing the normal spring flush. The cows just seem to be getting tired of all the rain. The rain is reducing the quality of the new crop hay coming out of the Imperial Valley. It had been wet enough through the winter so that they could not manage the fields like they normally would. They were not able to do an early season clipping so that there was quite a bit of weeds and older growth hay in the field. When they did make a first cutting much of it got rained on. Even with all these negative factors, prices are firm. Prices for All Hay surveyed by NASS at the end of March note that prices are generally higher. The U.S. average price is \$89 up more than \$7. Prices for selected Western states compared to last year are as follows: California \$126, +\$23; Idaho \$99, +\$14; New Mexico \$121, -\$18; and Washington \$103, +\$14. Plants report that they were running at near capacity levels to clear the holiday milk. A plant that lost a day of production further stressed the situation. CREAM offerings remain on the heavy side for this time of year for churning. Most plants are generally happy to be able to make some additional bulk butter for future needs. Butter prices moved higher this week, closing at \$1.56 on Wednesday, March 30. Multiples are in the 110-124 range FOB, and vary depending on basing points and class usage. The wet conditions of the past two weeks are continuing in the PACIFIC NORTHWEST. Snow pack is building and rivers are flooding, but this does not mean that the drought problems for the summer have ended. Most cows that have been out on pasture are off again because of the wet conditions. Also, pastures are getting away from producers because they are not able to get out there to manage the growth properly. Milk production is increasing seasonally, but at slower pace. UTAH generally is continuing to experience winter with heavy rain and snow over the past two weeks. Most areas of the state, except around Bear Lake, feel that the drought may be broken. Some mountain areas have received more than 600 inches of snow this winter with many reporting more than 200 inches on the ground. The threat of flooding is very real. The milk flow is increasing seasonally. IDAHO is also getting some much needed moisture, but probably not enough to help much with the summer water concerns. Dairies are very concerned about summer hay production and competition from nearby states.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged on a firm market. Production is steady to seasonally higher. Additional supplies produced are generally held with confidence by producers in attempt to secure supplies for future contracts. Spot load availability for current shipment is nominal. Most activity is occurring on the resale market. Resale trade is lighter than the week prior as reseller stocks of aged government supplies are depleted. Central region buyers continue to be shorted on their contractual loads from Western producers. Buyers are expecting full shipment of Western contractual loads by late April or May. Condensed skim demand is good.

EAST: The market tone remains firm and prices are unchanged. Drying schedules are slightly higher in most plants as surplus milk volumes are starting to increase. Drying in the Southeast is up rather sharply in recent weeks as milk output is at or near the seasonal peak. The Northeastern milk flow is still a month or so away from its peak. Condensed skim sales are improving and easing the pressure on dryers. However, NDM is reported as tight in many areas and some plants' output is barely sufficient to cover contracts. Buyers comment that spot purchases, direct from the producers, often have 1-2 month lead times. Most spot needs are being filled in the resale market. Demand is brisk. Many buyers and traders are concerned that NDM will remain tight throughout the year and are trying to purchase a little extra "just to have on hand." Conversely, comments from large producers are that there will be sufficient powder to meet demand. CCC recently released invitations to sell to the government various products (i.e. pudding, shelve-stable milk, etc.) which, like previous contracts, will use CCC-owned NDM as partial payment. Reportedly, the NDM used in these exchange programs is at least three years old. Contracts and volumes have not yet been awarded. Price changes at the CME cash market, after years of relatively little activity, have been changing with some regularity in recent weeks.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .9225 - 1.0100 MOSTLY: .9525 - .9625
HIGHHEAT: .9575 - 1.0950

NONFAT DRY MILK - WEST

Prices for Western low/medium heat powder are mixed with a firm undertone to the market. Contracted loads are often not shipping in a timely fashion from some suppliers. Others report that they are able to stay on a normal shipping schedule. Contacts hope that by the end of April they may have caught up on contract loads, but will not have much, if any, available for new buyers. Export shipments continue at a good pace even with U.S. powder becoming slightly more expensive related to the Euro. The Oceania seasonal production cycle is coming to an end and European production is just beginning to pick up, but little additional powder is expected for international trading. High heat powder demand continues to be lackluster at best. Most is just being made to order. Some price strength was noted.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .8975 - .9750 MOSTLY: .9150 - .9500
HIGHHEAT: .9375 - .9800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 25	\$.8928	7,864,191	0
March 18	\$.8944	9,187,621	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged to higher and nominal on a firm market. Movement is mixed. While some suppliers are offering buttermilk at the average and receiving no interest, others are receiving a premium. With buttermilk prices trending higher than NDM, buttermilk may no longer be an attractive substitute to NDM. Production is generally higher in response to steady churn activity and reduced seasonal interest in condensed buttermilk from ice cream producers. Producer stocks are held with confidence for contractual orders during the summer months.

F.O.B. CENTRAL: .9450 - 1.0300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Improving sales of liquid buttermilk are keeping drying activity light to moderate. Producer stocks are fairly well balanced. Demand is steady, but most contacts expect interest to improve along seasonal, spring/summer patterns.

F.O.B. NORTHEAST: .9300 - .9700
DELVD SOUTHEAST: .9600 - .9900

DRY BUTTERMILK - WEST

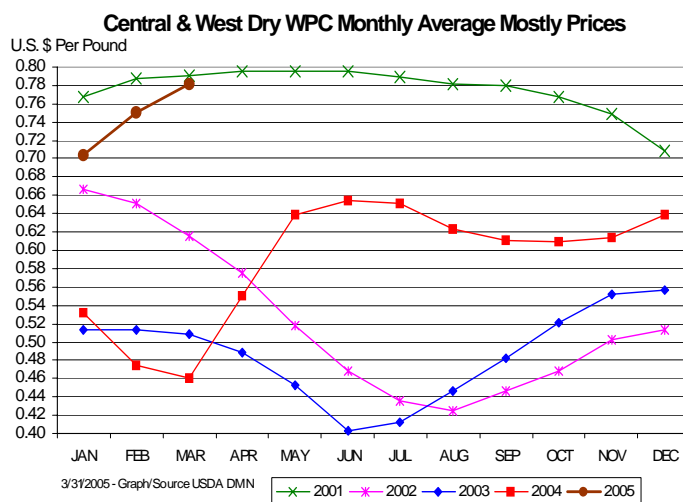
Western buttermilk powder prices continue to show some strength. Demand is improving seasonally, but some note that it is slower developing than anticipated. The strength and tightness noted in the NDM market is helping to support the buttermilk market. Production was heavier over the recent holiday period. Contacts are unsure how much impact this will have on the current market situation. Producers are generally filling contracts in a timely fashion.

F.O.B. WEST: .9350 - .9800 MOSTLY: .9500 - .9600

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher and remain nominal. Production levels remain light and producer stocks are closely balanced. Demand is slow to fair and typical for this time of year.

F.O.B. PRODUCING PLANT: 1.2775 - 1.4000



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Dry whey prices are higher on a steady to firm market. Although multiple loads are available from resellers and producers are able to supply additional loads onto contracts, buyers are acceding to price increases. Buyer interest in whey is generally not aggressive. Production is steady to higher as excess condensed whey supplies from the holiday weekend settled into plants. Export movement is fair with some producer concern noted as price increases may alter the marketability of whey into export markets from the Central region. The undertone for second quarter pricing is uncertain.

F.O.B. CENTRAL: .2475 - .2675 MOSTLY: .2475 - .2525

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices moved fractionally higher. However, the market tone remains steady. Eastern production is steady to slightly heavier as more milk is moving into cheese operations. Most producers have contracts sufficient to clear most of their output, but some spot loads are available. However, some producers are holding any extra output with confidence as they expect that they will need the dry whey later in the summer when output eases. Some traders are also accumulating stocks for future needs. Demand remains good but not overly aggressive. Export sales continue to help balance supply. Last week's price increase in the Central region stimulated additional interest. After such a long period of steady prices, that was to be expected. Contacts in both the East and Central regions offered mixed reviews to the increase.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2500 - .2700
DELVD SOUTHEAST: .2725 - .2900

DRY WHEY - WEST

Range prices are mixed for Western whey powder while the mostly series moved fractionally higher. There continues to be a firm undertone to the market. Both domestic and export buyers continue to look for additional powder. Stocks are generally in a balanced position. Powder production is increasing seasonally. Also, some additional powder was produced over the recent holiday period. Most contacts believe that the additional supplies will not disrupt the market.

NONHYGROSCOPIC: .2650 - .2900 MOSTLY: .2650 - .2825

ANIMAL FEED WHEY - CENTRAL

Prices remain unchanged and nominal on a steady market. Offers and a few trades are noted near the average for the good interest. Supplies are more readily available during the current week than the week prior. Veal prices are trending steady while early weaned pig prices are trending lower.

F.O.B. CENTRAL:
MILK REPLACER: .2100 - .2375

As of March 2, 2005, Dairy Market News is temporarily suspending efforts to report a Dry Whey Permeate Market on April 8, 2005. Dairy Market News will continue to review pricing, industry specifications for Dry Whey Permeate and other dry dairy products in order to provide current, unbiased information to both buyers and sellers in the trade. Commencing Report 15 (April 8, 2005), Dairy Market News will be reporting the Animal Feed Whey-Central Milk Replacer price series and comment will be incorporated into the Dry Whey Central report. The Dry Whey Central Extra Grade price series will remain unchanged. Comments regarding changes in Dairy Market News Reports can be directed to: Don Nelson, P.O. Box 8911, Madison, WI 53708
Email: DonaldO.Nelson@usda.gov
Phone: 608-224-5079

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Supplies direct from the manufacturer are very limited. Most trade activity is noted in the resale market. However, supplies in the resale market are also reportedly tight. Producers report buyer bids of 8-15 cents over the market for current production of 34% WPC. Supplies of 80% WPC are not nearly as tight as 34% WPC, offering an alternative source of protein for some users. Off grade 34% WPC from US and Canadian suppliers is being offered within the range for the good interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .7950 - .8450 MOSTLY: .7950 - .8250

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady market. Some second quarter contracts have been finalized at flat prices compared to first quarter. Some producers are suspicious that maybe they should have asked for higher prices based on the quick acceptance from buyers. Demand for lactose is improving, especially as feed users accept lactose as a suitable substitute for dry permeate in their formulations. As a result, supplies of lower mesh lactose are in better balance than the month prior. Demand remains best on the higher mesh lactose. Off grade lactose is available for the good feed demand.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1600 - .2100 MOSTLY: .1600 - .1900

CASEIN - NATIONAL

Casein markets are firm as prices remain unchanged at the end of the first quarter, but are reported to be higher once the second quarter begins. Traders and handlers indicate that the supply situation will probably not improve that greatly during upcoming months. Oceania suppliers continue to report lighter than desired production activity within the region which is limiting supply. In Europe, the new milk production season is just getting underway, thus it is still too early to report actual conditions, but producers remain optimistic. Some European buyers are starting to react to higher prices by curtailing some of the buying pattern which potentially might provide additional volumes for export to the U.S.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2700 - 3.3000
ACID: 3.2700 - 3.3500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production patterns are increasing at some plants now that milk supplies are starting to increase in more areas of the country. These volumes are often welcomed, the milk price notwithstanding, so that inventories may be restocked. Demand is slow to fair and remains highly competitive.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	03/16	03/17	03/18	03/21	03/22	03/23	03/24	03/25	03/28	03/29
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
MAR 05	14.08 (4007) 13	14.08 (3996) 23	14.05 (4006) 0	14.05 (4005) 2	14.05 (4007) 1	14.02 (4009) 6	14.05 (4010) 5	NO TRADING	14.05 (4009) 2	14.07 (4009) 2
APR 05	14.35 (3140) 571	13.90 (3167) 104	14.01 (3060) 146	13.99 (3110) 181	14.35 (3179) 206	14.50 (3216) 134	14.55 (3210) 104		14.57 (3196) 109	14.65 (3167) 162
MAY 05	14.69 (2731) 180	13.99 (2728) 115	14.07 (2733) 46	14.19 (2767) 140	14.60 (2793) 272	14.80 (2820) 163	14.85 (2841) 100		14.80 (2834) 109	14.90 (2877) 114
JUN 05	14.65 (2472) 222	13.90 (2472) 57	14.10 (2482) 29	14.25 (2477) 133	14.55 (2482) 196	14.65 (2498) 74	14.70 (2517) 45		14.60 (2533) 30	14.65 (2498) 80
JUL 05	14.85 (2216) 205	14.10 (2248) 49	14.35 (2228) 68	14.50 (2250) 45	14.74 (2277) 33	14.84 (2283) 37	14.75 (2290) 46		14.70 (2302) 14	14.75 (2305) 21
AUG 05	15.10 (2358) 188	14.53 (2377) 39	14.65 (2370) 60	14.70 (2389) 32	14.90 (2394) 24	14.90 (2401) 16	14.85 (2404) 29		14.80 (2415) 48	14.82 (2418) 23
SEP 05	15.10 (2289) 160	14.35 (2276) 45	14.69 (2260) 58	14.75 (2278) 30	14.90 (2274) 50	14.85 (2262) 42	14.84 (2260) 12		14.83 (2232) 61	14.83 (2236) 24
OCT 05	14.20 (1514) 156	13.80 (1534) 57	13.80 (1553) 20	13.90 (1571) 41	14.05 (1572) 14	14.05 (1569) 28	13.95 (1571) 12		13.90 (1575) 5	13.90 (1575) 0
NOV 05	13.80 (1187) 148	13.51 (1187) 22	13.51 (1203) 23	13.60 (1206) 20	13.72 (1209) 7	13.69 (1208) 16	13.70 (1208) 2		13.70 (1215) 20	13.65 (1214) 1
DEC 05	13.45 (1116) 140	13.02 (1119) 15	13.06 (1134) 16	13.15 (1137) 26	13.26 (1133) 6	13.27 (1124) 14	13.22 (1124) 0		13.16 (1119) 15	13.16 (1119) 0
JAN 06	13.06 (284) 108	12.85 (285) 3	12.90 (289) 17	13.00 (294) 76	13.15 (294) 2	13.15 (294) 1	13.19 (294) 1		13.10 (294) 6	13.11 (298) 6
FEB 06	13.02 (157) 20	13.00 (159) 2	13.00 (196) 37	13.10 (256) 60	13.20 (258) 5	13.19 (258) 0	13.19 (258) 0		13.19 (258) 5	13.10 (258) 3
MAR 06	13.00 (136) 29	12.90 (140) 5	12.95 (183) 61	13.06 (233) 50	13.15 (233) 0	13.15 (234) 1	13.10 (234) 0		13.10 (237) 6	13.10 (243) 8
APR 06	13.02 (106) 14	13.00 (107) 3	13.00 (134) 43	13.10 (176) 50	13.15 (177) 1	13.15 (179) 2	13.10 (179) 0		13.10 (185) 6	13.10 (195) 11
MAY 06	13.02 (100) 15	13.00 (101) 2	12.95 (124) 37	13.05 (167) 57	13.15 (168) 14	13.15 (168) 0	13.15 (168) 0		13.15 (168) 0	13.15 (168) 0
JUN 06	13.10 (67) 1	13.06 (71) 9	13.06 (96) 36	13.15 (137) 53	13.35 (138) 16	13.40 (138) 0	13.40 (138) 0		13.40 (138) 0	13.40 (138) 0
JUL 06	13.10 (70) 0	13.10 (70) 2	13.10 (95) 26	13.20 (83) 31	13.25 (83) 0	13.25 (83) 0	13.25 (83) 0		13.25 (83) 0	13.25 (83) 0
AUG 06	13.25 (47) 3	13.25 (48) 2	13.25 (74) 26	13.30 (66) 28	13.35 (66) 0	13.35 (66) 0	13.35 (66) 0		13.35 (66) 0	13.35 (66) 0
SEP 06	13.40 (38) 0	13.40 (38) 0	13.40 (45) 7	13.50 (50) 28	13.55 (50) 0	13.55 (50) 0	13.55 (50) 0		13.55 (50) 0	13.55 (50) 0
OCT 06	13.00 (34) 0	13.00 (34) 0	13.00 (42) 8	13.10 (70) 28	13.15 (70) 0	13.15 (70) 0	13.15 (70) 0		13.15 (70) 0	13.15 (70) 0
CME - (CLASS IV) MILK FUTURES - Dollars per cwt.										
MAR 05	13.00 (7) 0	13.00 (7) 0	13.00 (7) 0	12.90 (7) 0	12.80 (7) 0	12.80 (7) 0	12.80 (7) 0	NO TRADING	12.80 (7) 0	12.80 (7) 0
APR 05	13.20 (8) 0	13.20 (8) 0	13.20 (8) 0	13.20 (8) 0	13.20 (8) 0	13.20 (8) 0	13.20 (8) 0		13.20 (8) 0	13.20 (8) 0
MAY 05	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0		13.20 (5) 0	13.20 (5) 0
JUN 05	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0	13.20 (5) 0		13.20 (5) 0	13.20 (5) 0
JUL 05	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0		13.80 (22) 0	13.80 (22) 0
AUG 05	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0		13.80 (22) 0	13.80 (22) 0
SEP 05	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0	13.80 (22) 0		13.80 (22) 0	13.80 (22) 0
OCT 05	13.50 (5) 0	13.50 (5) 0	13.50 (5) 0	13.50 (5) 0	13.50 (5) 0	13.50 (5) 0	13.50 (5) 0		13.50 (5) 0	13.50 (5) 0
NOV 05	13.50 (6) 0	13.50 (6) 0	13.50 (6) 0	13.50 (6) 0	13.50 (6) 0	13.50 (6) 0	13.50 (6) 0		13.50 (6) 0	13.50 (6) 0
CME - BUTTER FUTURES -- Cents per pound										
MAR 05	160.00 (96) 0	160.00 (81) 15	160.00 (71) 12	157.00 (67) 0	157.00 (65) 0	157.00 (32) 0	157.00 (22) 0	NO TRADING	157.00 (16) 0	157.00 (298) 2
MAY 05	160.50 (294) 0	160.48 (294) 6	158.50 (295) 3	158.50 (298) 3	160.00 (294) 11	157.00 (303) 19	159.00 (302) 5		159.00 (300) 3	159.00 (269) 4
JUL 05	162.00 (248) 6	160.00 (248) 2	160.00 (250) 2	158.50 (250) 4	160.00 (254) 6	159.00 (258) 5	161.00 (258) 0		161.00 (265) 7	161.00 (174) 8
SEP 05	163.00 (148) 3	161.75 (151) 7	162.00 (152) 2	158.50 (153) 2	160.00 (158) 5	160.00 (165) 10	162.50 (165) 0		162.50 (167) 4	162.00 (111) 2
OCT 05	163.00 (89) 3	161.75 (91) 2	160.00 (95) 7	159.00 (95) 0	160.00 (99) 4	160.00 (102) 5	162.00 (109) 9		160.25 (109) 0	161.25 (34) 0
DEC 05	153.50 (27) 0	153.50 (28) 1	153.50 (29) 1	152.00 (29) 0	152.00 (29) 0	153.00 (31) 2	155.00 (34) 3		153.00 (34) 0	154.00 (886) 16

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered March 21 - April 1, 2005

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN EUROPEAN OVERVIEW: The end of the milk production quota year has arrived and early reports indicate that previous projections are correct. For many countries, milk volumes trailed last year, others are at quota, while a few countries are above previous year levels. Contacts and milk handlers attribute overall lower volumes of milk to a colder/longer winter which has slowed seasonal increases. Although the new season is somewhat delayed in comparison to previous years, milk production is gaining momentum. Milk handlers and producers anticipate milk volumes to increase at a steady pace as favorable early spring weather conditions are being reported. The Euro against the U.S. dollars continues to cause unsettledness among most European traders and buyers. Buyers are returning to the market, although sales are limited as buyers remain cautious. Stocks of product are available for immediate and near term shipment with new production entering the market place. A recent Algerian tender has much of their need being filled from European sources. This product will be delivered during the next few months. The Algerians purchased between 15,000 – 20,000 MT of skim milk powder and smaller volumes of butterfat, cheese, and whole milk powder. Intervention continues to receive surplus dairy products, but at a slower pace than last year at this time. Through March 24, skim milk powder offerings total 1,240 MT versus around 1,600 MT last year. Butter offerings total 6,201 MT versus over 10,000 MT last year at this time. Traders and handlers continue to indicate that intervention offerings will remain low for skim milk powder, but will be heavy for butter.

BUTTER/BUTTEROIL: Butter markets remain steady at unchanged prices. Stocks of butter are building as milk production increases and are available for domestic and international buyers. Surplus is clearing to intervention. Traders and handlers anticipate that butter intervention offerings will be heavy this year. Through March 24, slightly more than 6,200 MT of butter have been offered to intervention since the first of March. This total compares to over 10,000 MT during the same period last year.

82% BUTTERFAT:	1,850 - 2,050
99% BUTTERFAT:	2,400 - 2,600

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady, with prices unchanged to slightly lower. Traders and handlers report that stocks are available for immediate shipment. International buyer interest is starting to re-develop, although buyers remain cautious. Traders feel that firm prices are probably limiting sales at this time. A recent Algerian tender for skim milk powder has earmarked between 15,000 and 20,000 MT of European powder for April/May shipment. Offerings continue to clear to intervention, although lighter than in recent years. Since March 1 and through March 24, 1,240 MT of powder has been offered. This offering compares to about 1,600 MT during the same period last year. Most powder handlers anticipate total offerings to the program to be lighter this year.

1.25% BUTTERFAT:	2,100 - 2,225
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady although prices have declined slightly. Stocks of powder are available for immediate shipment with new production coming on line. International sales are slow, but traders indicate that buyer interest is returning. European traders and handlers anticipate that European sourced dairy products, including whole milk powder, should be in good demand during the upcoming milk production season.

26% BUTTERFAT:	2,225 - 2,300
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SWEET WHEY POWDER: European whey powder markets remain firm at unchanged prices. Stocks are available, although firm pricing is basically hindering international buyers. Most whey sales activity is centered around a domestic calf feed market.

NONHYGROSCOPIC:	550 - 650
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EASTERN EUROPEAN OVERVIEW: Milk production trends in Eastern Europe are increasing. Traders and handlers of manufactured dairy products indicate that there are stocks of product available for shipment, although these volumes are not significant at this time. As the new milk production season develops, additional stocks will be generated soon, becoming available to domestic and international buyers. Buyers are returning to the market but finalized sales remain limited. European traders anticipate an active sales period during the upcoming months as international supplies of dairy products are quite limited.

OCEANIA

OCEANIA OVERVIEW: Milk producers and handlers in Oceania are now looking at the end of the milk production season. Although the end of the season is still a few months away, most feel that their hopes for production recovery during the last half of the season have not developed as desired. At this point, milk output in New Zealand continues to run between 4 – 5% behind last year. Although output has recovered somewhat in recent months in Australia, many producers and handlers feel that overall production will be about 1% lower than last year. Lower annual production has limited and continues to limit product availability for buyer needs. Manufacturers and traders continue to indicate that stocks are in very close balance and often short of full needs. Some traders and handlers are looking to outside sources for additional stocks to fully acknowledge commitments, while others are considering reaching into the new production season later in the year. Oceania producers and handlers are closely monitoring international markets and prices with some considering adjusting their pricing structure to remain competitive. At this point, prices remain firm, although a weaker undertone is developing. Traders and handlers do not foresee significant declines, although many anticipate lower prices. Traders indicate that international buyer interest is being reported, but also state that they have no uncommitted inventories to acknowledge any of this interest at this time. For the most part, producers and handlers anticipate very minimal volumes of product to carry over to the new season, if any at all.

BUTTER: Oceania butter prices are unchanged, although the market undertone is weaker. Traders and handlers are closely monitoring international prices to remain competitive. Stocks of Oceania butter are in very close balance and often short of desired volumes. Producers and handlers state that they do not anticipate their supply situation to improve as the milk production season winds down. At this point, traders and handlers are hopeful that they will be able to meet their commitments without having to reach elsewhere for additional volumes or into the new milk production season to fully acknowledge commitments.

82% BUTTERFAT:	2,025 - 2,400
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CHEDDAR CHEESE: Cheese markets remain firm at unchanged prices. Stocks of cheese are in close balance for needs. Producers and handlers indicate that buyers are basically getting their needs filled, although stocks will be limited by seasons end. Trading activity continues to center around regular and ongoing customer needs. No new sales activity is being reported, although buyers are in the market.

39% MAXIMUM MOISTURE:	2,650 - 3,000
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SKIM MILK POWDER (SMP): Skim milk powder markets and prices are generally unchanged. Stocks of powder remain in very close balance to often short of desired volumes. Oceania milk production is winding down seasonally, thus new production is also declining. Some local traders and handlers are reaching to other sources outside of Oceania to fulfill their commitments.

1.25% BUTTERFAT:	2,150 - 2,300
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WHOLE MILK POWDER (WMP): Oceania whole milk powder markets are steady at unchanged prices, although the market undertone is weaker. Whole milk powder production is declining seasonally, but when possible, milk is being diverted away from other products and directed toward whole milk production by some producers. Stocks of powder remain in close balance to short of full needs.

26% BUTTERFAT:	2,150 - 2,350
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Exchange rates for selected foreign currencies: March 28, 2005

.8186 Canadian Dollar	.0229 Indian Rupee
.3421 Argentina Peso	.7082 New Zealand Dollar
.0883 Mexican Peso	.7873 Australian Dollar
.3088 Polish Zloty	.0093 Japanese Yen
	1.2878 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0883) = 11.3250 That is 1 US Dollar equals 11.3250 Mexican Pesos
 .Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR MARCH 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2005	2004
	MAR 01 - 04	MAR 07 - 11	MAR 14 - 18	MAR 21 - 25	MAR 28 - 31	Average	Average
						or Total	or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.6750 - 2.0200	:: 1.7550 - 2.0200	:: 1.6200 - 1.9900	:: 1.6400 - 1.9900	:: 1.7075 - 1.9900	:: 1.8401	:: 1.9217
-- Brick And/Or Muenster 5#	:: 2.0000 - 2.0950	:: 2.0675 - 2.0950	:: 2.0000 - 2.0150	:: 2.0000 - 2.0275	:: 2.0000 - 2.0925	:: 2.0386	:: 2.1337
-- Cheddar 40# Block	:: 1.8975 - 2.2650	:: 1.9650 - 2.2650	:: 1.8175 - 2.2650	:: 1.8300 - 2.2650	:: 1.8700 - 2.2650	:: 2.0702	:: 2.0030
-- Monterey Jack 10#	:: 2.0700 - 2.2650	:: 2.1375 - 2.2650	:: 2.0550 - 2.2650	:: 2.0675 - 2.2650	:: 2.0700 - 2.2650	:: 2.1729	:: 2.1352
-- Blue 5#	:: 2.3900 - 2.7200	:: 2.4575 - 2.7200	:: 2.3100 - 2.6900	:: 2.3225 - 2.6900	:: 2.3875 - 2.6900	:: 2.5370	:: 2.5318
-- Mozzarella 5 - 6#	:: 1.8400 - 2.3650	:: 1.9075 - 2.3650	:: 1.7600 - 2.3650	:: 1.7725 - 2.3650	:: 1.8325 - 2.3650	:: 2.0932	:: 2.0264
-- Grade A Swiss Cuts 6 - 9#	:: 2.3500 - 2.9500	:: 2.3500 - 2.9500	:: 2.3500 - 2.9000	:: 2.3500 - 2.9000	:: 2.3500 - 2.9000	:: 2.6348	:: 2.3849

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.6075 - 2.1225	:: 1.6750 - 2.1900	:: 1.5275 - 2.0425	:: 1.5400 - 2.0550	:: 1.6075 - 2.1225	:: 1.8476	:: 2.0167
-- Cheddar Single Daisies	:: 1.5650 - 2.0400	:: 1.6325 - 2.1075	:: 1.4850 - 1.9600	:: 1.4975 - 1.9725	:: 1.5650 - 2.0400	:: 1.7851	:: 1.9542
-- Cheddar 40# Block	:: 1.6825 - 1.9400	:: 1.7500 - 2.0075	:: 1.6025 - 1.8575	:: 1.6150 - 1.8700	:: 1.6825 - 1.9375	:: 1.7931	:: 1.9613
-- Process 5# Loaf	:: 1.6850 - 1.8925	:: 1.7650 - 1.9725	:: 1.6300 - 1.8375	:: 1.6500 - 1.8575	:: 1.7175 - 1.9225	:: 1.7920	:: 1.9843
-- Process 5# Sliced	:: 1.7050 - 1.9275	:: 1.7850 - 2.0000	:: 1.6500 - 1.8650	:: 1.6700 - 1.8850	:: 1.7375 - 1.9500	:: 1.8164	:: 2.0231
-- Muenster	:: 1.7800 - 1.9825	:: 1.8475 - 2.0500	:: 1.7000 - 1.9025	:: 1.7125 - 1.9150	:: 1.7800 - 1.9825	:: 1.8639	:: 2.0330
-- Grade A Swiss Cuts 10 - 14#	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.5500	:: 2.4500

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.6300 - 1.8875	:: 1.7075 - 1.9650	:: 1.5725 - 1.8300	:: 1.5925 - 1.8500	:: 1.6600 - 1.9175	:: 1.7602	:: 1.9523
-- Cheddar 40# Block	:: 1.6625 - 2.0150	:: 1.7300 - 2.0825	:: 1.5825 - 1.9350	:: 1.5950 - 1.9475	:: 1.6625 - 2.0150	:: 1.8214	:: 2.0203
-- Cheddar 10# Cuts	:: 1.8425 - 2.0625	:: 1.9100 - 2.1300	:: 1.7625 - 1.9825	:: 1.7750 - 1.9950	:: 1.8425 - 2.0625	:: 1.9351	:: 2.1153
-- Monterey Jack 10#	:: 1.8525 - 2.0125	:: 1.9200 - 2.0800	:: 1.7725 - 1.9325	:: 1.7850 - 1.9450	:: 1.8525 - 2.0125	:: 1.9151	:: 2.0953
-- Grade A Swiss Cuts 6 - 9#	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.4750	:: 2.3937

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 1.8183 - 2.0512	:: 1.8564 - 2.1216	:: 1.8737 - 2.0869	:: 1.9307 - 2.1839	:: 1.8755 - 2.0460	:: 1.9876	:: 2.7551
-- Atlanta - divd. equiv.	:: 1.8429 - 2.0672	:: 1.8720 - 2.1216	:: 1.8889 - 2.1022	:: 1.9465 - 2.1522	:: 1.8910 - 2.0925	:: 1.9998	:: 2.7834
-- Upper Midwest - f.o.b	:: 1.9390 - 2.0833	:: 1.8720 - 2.0280	:: 1.8432 - 1.9803	:: 1.9623 - 2.0731	:: 1.9065 - 1.9375	:: 1.9622	:: 2.7768

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9800 - 1.0100	:: 0.9950	:: 0.9000
-- Class III	:: 1.1200 - 1.2000	:: 1.1200 - 1.1600	:: 1.1200 - 1.1600	:: 1.1200 - 1.1600	:: 1.1200 - 1.1600	:: 1.1435	:: 0.8702

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)

-- Delivered Major U.S. Cities	:: 22.0000 - 30.0000	:: 22.0000 - 30.0000	:: 22.0000 - 30.0000	:: 22.0000 - 30.0000	:: 22.0000 - 30.0000	:: 26.0000	:: 25.0217
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MONTHLY SUMMARY AND AVERAGES FOR MARCH 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 9	REPORT NUMBER 10	REPORT NUMBER 11	REPORT NUMBER 12	REPORT NUMBER 13	2005	2004
	Mar 01 - 04	Mar 07 - 11	Mar 14 - 18	Mar 21 - 25	Mar 28 - 31	Average	Average
	or Total	or Total	or Total	or Total	or Total	or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	0.9150 - 1.0100	0.9150 - 1.0100	0.9175 - 1.0100	0.9225 - 1.0100	0.9225 - 1.0100	0.9642	0.8518
-- Mostly	0.9400 - 0.9500	0.9400 - 0.9550	0.9475 - 0.9575	0.9525 - 0.9625	0.9525 - 0.9625	0.9521	0.8339
-- High Heat	0.9500 - 1.0950	0.9500 - 1.0950	0.9525 - 1.0950	0.9575 - 1.0950	0.9575 - 1.0950	1.0242	0.9046
-- West (f.o.b.)							
-- Low/Medium Heat	0.8900 - 0.9800	0.8925 - 0.9800	0.8950 - 0.9800	0.8975 - 0.9800	0.8975 - 0.9750	0.9368	0.8397
-- Mostly	0.9100 - 0.9400	0.9100 - 0.9400	0.9100 - 0.9400	0.9150 - 0.9400	0.9150 - 0.9500	0.9268	0.8063
-- High Heat	0.9300 - 0.9700	0.9350 - 0.9700	0.9350 - 0.9700	0.9375 - 0.9700	0.9375 - 0.9800	0.9534	0.8417
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.2375 - 0.2525	0.2375 - 0.2525	0.2375 - 0.2525	0.2425 - 0.2625	0.2475 - 0.2675	0.2488	0.2159
-- Mostly	0.2400 - 0.2450	0.2400 - 0.2450	0.2400 - 0.2450	0.2450 - 0.2475	0.2475 - 0.2525	0.2446	0.2135
-- West (f.o.b.)	0.2550 - 0.2775	0.2500 - 0.2775	0.2600 - 0.2950	0.2600 - 0.2950	0.2650 - 0.2900	0.2726	0.1889
-- Mostly	0.2625 - 0.2725	0.2650 - 0.2725	0.2650 - 0.2775	0.2650 - 0.2800	0.2650 - 0.2825	0.2708	0.1821
-- Northeast (f.o.b.)	0.2475 - 0.2650	0.2475 - 0.2650	0.2475 - 0.2650	0.2475 - 0.2650	0.2500 - 0.2700	0.2569	0.2208
-- Southeast (Delvd)	0.2700 - 0.2825	0.2700 - 0.2825	0.2700 - 0.2825	0.2700 - 0.2825	0.2725 - 0.2900	0.2771	0.2403
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.7525 - 0.8225	0.7525 - 0.8225	0.7625 - 0.8225	0.7800 - 0.8300	0.7950 - 0.8450	0.7980	0.4600
-- Mostly	0.7525 - 0.7725	0.7525 - 0.7725	0.7625 - 0.7975	0.7900 - 0.8000	0.7950 - 0.8250	0.7816	0.4599
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.2100 - 0.2325	0.2100 - 0.2325	0.2100 - 0.2375	0.2100 - 0.2375	0.2100 - 0.2375	0.2228	0.1827
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.9450 - 1.0100	0.9450 - 1.0100	0.9450 - 1.0100	0.9450 - 1.0100	0.9450 - 1.0300	0.9792	0.9890
-- West (f.o.b.)	0.9250 - 0.9750	0.9200 - 0.9750	0.9200 - 0.9800	0.9300 - 0.9800	0.9350 - 0.9800	0.9518	0.9057
-- Mostly	0.9250 - 0.9400	0.9250 - 0.9400	0.9300 - 0.9500	0.9300 - 0.9600	0.9500 - 0.9600	0.9408	0.9072
-- Northeast (f.o.b.)	0.9300 - 0.9700	0.9300 - 0.9700	0.9300 - 0.9700	0.9300 - 0.9700	0.9300 - 0.9700	0.9500	0.8728
-- Southeast (Delvd)	0.9600 - 0.9900	0.9600 - 0.9900	0.9600 - 0.9900	0.9600 - 0.9900	0.9600 - 0.9900	0.9750	0.9185
WHOLE MILK POWDER							
-- National (f.o.b.)	1.2600 - 1.3450	1.2775 - 1.3450	1.2775 - 1.3600	1.2775 - 1.4000	1.2775 - 1.4000	1.3221	1.3611
LACTOSE							
-- Central And West (f.o.b.)	0.1500 - 0.2100	0.1600 - 0.2100	0.1600 - 0.2100	0.1600 - 0.2100	0.1600 - 0.2100	0.1841	0.2363
-- Mostly	0.1600 - 0.1900	0.1600 - 0.1900	0.1600 - 0.1900	0.1600 - 0.1900	0.1600 - 0.1900	0.1750	0.2266
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	3.2700 - 3.3000	3.2700 - 3.3000	3.2700 - 3.3000	3.2700 - 3.3000	3.2700 - 3.3000	3.2850	2.3413
-- Nonrestricted - Acid	3.2700 - 3.3500	3.2700 - 3.3500	3.2700 - 3.3500	3.2700 - 3.3500	3.2700 - 3.3500	3.3100	2.3585

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR MARCH 2005

COMMODITY	::REPORT NUMBER 9 ::		REPORT NUMBER 10::		REPORT NUMBER 11::		REPORT NUMBER 12::		REPORT NUMBER 13::		2005 *	2004 *
	::-----::		-----::		-----::		-----::		-----::		Monthly	Monthly
	:: MAR 1 - 4 ::		MAR 7 - 11 ::		MAR 14 - 18 ::		MAR 21 - 24 ::		MAR 28 - 31 ::		Average	Average
BUTTER*												
-- GRADE AA												
--Monday	::		::	1.4900	::	1.5700	::	1.5525	::	1.5500	::	:
--Tuesday	::		::		::		::		::		::	:
--Wednesday	::	1.5525	::	1.5200	::	1.5950	::	1.5475	::	1.5600	::	:
--Thursday	::		::		::		::		::		::	:
--Friday	::	1.5525	::	1.5600	::	1.5825	::	#	::		::	1.5527 : 2.1350
--Weekly Average**	::	1.5600	::	1.5233	::	1.5825	::	1.5500	::		::	:
CHEESE*												
-- BARRELS												
--Monday	::		::	1.4200	::	1.4400	::	1.4450	::	1.5725	::	:
--Tuesday	::	1.6200	::	1.4000	::	1.4400	::	1.4675	::	1.5750	::	:
--Wednesday	::	1.6150	::	1.4000	::	1.4400	::	1.5500	::	1.5950	::	:
--Thursday	::	1.5225	::	1.4400	::	1.4400	::	1.5650	::	1.5950	::	:
--Friday	::	1.4200	::	1.4400	::	1.4450	::	#	::		::	1.4931 : 1.7977
--Weekly Average**	::	1.5540	::	1.4200	::	1.4410	::	1.5069	::		::	:
-- 40# BLOCKS												
--Monday	::		::	1.4500	::	1.4675	::	1.4800	::	1.6025	::	:
--Tuesday	::	1.7000	::	1.4600	::	1.4700	::	1.5025	::	1.6100	::	:
--Wednesday	::	1.6925	::	1.4625	::	1.4750	::	1.5800	::	1.6250	::	:
--Thursday	::	1.5500	::	1.4675	::	1.4775	::	1.6025	::	1.6250	::	:
--Friday	::	1.4500	::	1.4675	::	1.4800	::	#	::		::	1.5317 : 1.8197
--Weekly Average**	::	1.6090	::	1.4615	::	1.4740	::	1.5413	::		::	:
NONFAT DRY MILK*												
-- EXTRA GRADE												
--Monday	::		::	0.9325	::	0.9325	::	0.9500	::	0.9575	::	:
--Tuesday	::	0.9325	::	0.9325	::	0.9325	::	0.9500	::	0.9600	::	:
--Wednesday	::	0.9325	::	0.9325	::	0.9500	::	0.9525	::	0.9625	::	:
--Thursday	::	0.9325	::	0.9325	::	0.9500	::	0.9550	::	0.9625	::	:
--Friday	::	0.9325	::	0.9325	::	0.9500	::	#	::		::	0.9435 : 0.8400
--Weekly Average**	::	0.9325	::	0.9325	::	0.9430	::	0.9519	::		::	:
-- GRADE A												
--Monday	::		::	1.0000	::	0.9800	::	0.9700	::	0.9775	::	:
--Tuesday	::	1.0000	::	1.0000	::	0.9675	::	0.9700	::	0.9800	::	:
--Wednesday	::	1.0000	::	1.0000	::	0.9700	::	0.9725	::	0.9825	::	:
--Thursday	::	1.0000	::	0.9900	::	0.9700	::	0.9750	::	0.9825	::	:
--Friday	::	1.0000	::	0.9800	::	0.9700	::	#	::		::	0.9835 : 0.8400
--Weekly Average**	::	1.0000	::	0.9940	::	0.9715	::	0.9719	::		::	:

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

The CME was closed for the observance of Good Friday.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
DEC 2004	188.5	2.7	180.1	4.1	181.5	6.0	181.4	5.3	186.2	28.3	183.1	1.1
JAN 2005	189.1	2.9	183.3	6.3	187.2	10.5	184.3	6.8	195.2	26.8	183.4	1.9
FEB 2005	188.8	2.6	181.8	5.6	183.6	9.0	183.1	6.1	193.8	25.2	183.9	2.3
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Dollars											
DECEMBER	3.233	2.947	3.463	2.804	3.937	3.843	4.099	4.067	3.849	3.898		
JANUARY	2005	2004	2004	2004	2005	2004	2005	2004	2005	2004		
	3.304	2.879	3.513	2.847	3.876	3.813	4.210	4.046	3.873	3.692		
FEBRUARY	3.176	2.814	3.525	2.787	3.873	3.937	4.382	3.973	3.790	3.808		

^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—NOVEMBER-JANUARY 2003-2005 AND ANNUAL 2003-2004 ^{1/}

Item	Nov. Jan. 2003/04	Percent change ^{2/}	Nov.-Jan. 2004/05	Percent change ^{2/}	Jan.-Dec. 2003	Percent change ^{2/}	Jan.-Dec. 2004	Percent change ^{2/}
	Million Pounds							
MILK								
Production	42,054	-0.7	42,472	1.0	170,394	0.2	170,805	0.0
Marketings	41,780	-0.7	42,214	1.0	169,280	0.2	169,755	0.0
Beginning Commercial Stocks ^{3/}	9,787	-1.7	8,994	-8.1	9,891	40.5	8,331	-15.8
Imports ^{3/}	1,404	2.5	1,412	0.6	5,040	-1.3	5,279	4.7
Total Supply ^{4/}	52,971	-0.8	52,620	-0.7	184,211	1.7	183,365	-0.7
Ending Commercial Stocks ^{3/}	9,895	-11.5	7,909	-20.1	8,331	-15.8	7,151	-14.2
Net Removals ^{3/}	-111	-187.4	-7	-93.7	1,162	256.4	-64	-105.5
Commercial Disappearance ^{4/}	43,187	2.7	44,718	3.5	174,718	2.3	176,278	0.6
SELECTED PRODUCTS ^{5/}								
Butter	358.3	5.0	376.5	5.1	1,309.2	1.6	1,325.7	1.0
American Cheese	920.0	0.0	1,008.4	9.6	3,707.6	-0.2	3,807.1	2.4
Other Cheese	1,374.2	3.9	1,437.3	4.6	5,340.9	2.3	5,510.2	2.9
Nonfat Dry Milk	209.7	21.7	319.2	52.2	921.9	13.3	1,297.7	40.4
Fluid Milk Products ^{6/}	14,121.6	-1.4	14,157.0	0.3	54,980.5	-0.5	54,523.6	-1.1

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 2005 was unchanged at 135. Compared with March 2004, the index was up 3 points (2.3 percent). The index of prices received by farmers for dairy products was unchanged during the month of February 2005 at 119. Compared with March 2004, the index was up 1 point (0.8 percent).

Prices received by farmers in March with changes from February were: for All Milk, \$15.60 per hundredweight (cwt.), up \$.10; Fluid Grade Milk, \$15.60 per cwt., up \$.10; and for Manufacturing Grade Milk, \$14.60 per cwt., down \$.30.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MARCH 2005 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	2005 2/	2004 2/	2005 4/	2004 2/	2005	2004	2005 7/	2004 8/	2005	2004
CA	14.51	12.41	14.50	14.01	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		46.70	44.00	126.00	103.00
ID	14.00	12.70	14.00	15.00			53.50	44.50	99.00	85.00
MI	15.70	13.60	16.10	15.30			52.00	46.00	96.00	97.00
MN	15.90	13.80	15.90	16.60			57.00	49.20	70.00	66.00
NM	14.70	13.00	15.60	14.40			53.70	48.00	121.00	139.00
NY	15.70	14.30	16.00	15.80			---	---	121.00	107.00
PA	16.90	15.30	17.00	16.70			52.20	45.10	120.00	123.00
TX	15.80	14.20	16.00	15.30			51.90	45.30	68.00	69.00
WA	15.20	13.40	15.50	15.10			---	---	103.00	89.00
WI	16.10	14.10	15.90	16.40			57.40	47.10	83.00	93.00
U.S.	15.50	13.60	15.60	15.40			53.60	46.50	89.10	81.80

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., MARCH 2005 WITH COMPARISON

ITEM	MARCH 2004	FEBRUARY 2005 1/	MARCH 2005 2/
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	15.40	15.50	15.60
Fluid grade milk	15.40	15.50	15.60
Manufacturing grade milk	15.20	14.90	14.60
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	121	114	118
Prices received by farmers for dairy products	118	119	119
Prices paid by farmers for commodities and services, interest taxes, and wage rates	132	135	135
Prices paid by farmers for production items	129	131	132
Prices paid by farmers for feed	124	99	98
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	2.80	3.54	3.35

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and all wheat.

SOURCE: "Agricultural Prices," Pr 1 (3/05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MARCH 28 - APRIL 1			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 03/25/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	242,681,491	-0-	748,112,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	31,817,269	242,562,443	-0-	794,503,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MARCH 28 - APRIL 1, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	-1.7	-91.2
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	52.4	2,823.4
CUMULATIVE JANUARY 1 - APRIL 1, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	26.9	1,474.2

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MARCH 28 - APRIL 1, 2005 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	3.2
WEST	-0-	-42,309	-0-	-0-	29,415,099	230,632,393	92.4	95.0
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.8
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	242,562,443	100.0	100.0

NDM SELLBACK TO THE TRADE The cumulative sellback total for 2005 is 0 pounds.

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/12/05 & Comparable Week 2004

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	N.A.	2.5	14.3	2.8	0.9	N.A.	13.4	3.4	45.0	525.4	50.4	49.5
2004-Dairy	N.A.	0.7	N.A.	2.3	16.3	2.6	0.9	N.A.	12.3	3.8	47.0	551.1	49.7	49.8
2005-All cows	0.1	0.6	N.A.	10.6	26.8	9.1	11.7	N.A.	14.3	5.6	89.3	1,061.1		
2004-All cows	0.1	0.7	N.A.	9.4	26.9	12.4	13.8	N.A.	13.9	6.4	94.6	1,106.1		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13								
II	13.04	13.36	13.25									
III	14.14	14.70	14.08									
IV	12.52	12.74	12.66									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm